SUPPLIER CERTIFICATION POLICY: STEPS TO THE SUPPLIER CERTIFICATION DECISION

DOCUMENT IDENTIFIER: A-SP-ELMF520-01-0 Rev B, 05-Oct-1989

ABSTRACT: This section of the Supplier Certification Policy outlines the procedure for determining the certification of a supplier.

The procedure includes the five steps to the supplier certification decision, including the Program Introduction, Supplier's Internal Assessment, the Readiness Review, the Manufacturing Systems Assessment, and the Supplier Certification Decision Meeting.

APPLICABILITY: Required for the certification of any external or internal supplier to Digital Equipment Corporation as required by individual procurement/quality organizations.

STATUS: APPROVED 05-Oct-1989; use VTX SMC for current status.

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Revision Author:	Stan Znamierowski and Al Munson
Responsible Person:	Corporate Aquisition Quality Staff Manager

APPROVAL: The Supplier Certification Policy has been approved for implementation throughout Digital Equipment Corporation.

John Murray - Corporate Aquisition Quality Staff Manager

Direct requests for further information to:

Stan Znamierowski

AET, DTN: 240-6313, SIMVAX::STANZ

Al Munson

MLO, DTN: 223-3799, SSVAX::MUNSON

Bill Koury

DAS, DTN: 275-2404, DASXPS::KOURY

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1 PROGRAM INTRODUCTION

The customer representatives shall meet with the supplier to introduce the Digital Supplier Certification Program and the requirements for achieving certification.

The program introduction shall include the following.

- **a.** A review of the criteria against which the supplier will be assessed as defined in EL-MF520-01, *Supplier Certification Policy.*
- **b.** A review of the performance requirements to achieve certification as defined in the Supplier Certification Policy.
- **c.** A preview of the remaining steps in the certification process as described in this document.

2 SUPPLIER'S INTERNAL ASSESSMENT

The supplier's internal assessment shall be done in two stages: the initial evaluation and the internal assessment.

INITIAL EVALUATION

The supplier shall perform an initial evaluation to determine compliance with the system requirements defined in EL-MF520-01, Supplier Certification Policy. The intent of this evaluation shall be to determine if the supplier has the major systems required by the policy implemented and operational.

The supplier shall assemble all documentation (existing plans and procedures) in a book arranged in the same order as the system requirements defined in the Certification Policy. Examples of such documentation are a manufacturing control plan, training plans, quality agreements, and product qualification results. This book will be the first of two used to determine the supplier's readiness for the manufacturing systems assessment.

The supplier shall compare his existing systems with the requirements of the policy. If the evaluation shows that the supplier lacks plans or procedures required by the Certification Policy, the supplier shall develop any action plans necessary to meet the requirements.

When the supplier has met the system requirements defined by the Certification Policy, the supplier shall begin the Internal Assessment.

INTERNAL ASSESSMENT

The internal assessment is a detailed analysis of the supplier's manufacturing systems and controls—it focuses on the effectiveness of these processes.

The assessment shall be made by the supplier's personnel using the guidelines and checklists contained in EL-MF520-02, *Manufacturing Systems Assessment Procedure - Checklist for Supplier Certification.*

This assessment shall be performed under the supervision of management personnel as they are best qualified to determine the effectiveness of cross-discipline links within the system. The results of the supplier's internal assessment shall be maintained in the second book prepared by the supplier.

The second book shall contain the top level documents demonstrating compliance with the requirements of the Manufacturing Systems Assessment Procedure and the results of the internal assessment for each area evaluated.

Corrective actions taken as a result of the supplier's internal assessment shall also be included in the second book.

When the supplier has met the overall system requirements of the Certification Policy and the specific requirements detailed in the Manufacturing Systems Assessment, the supplier may request a readiness review.

3 THE READINESS REVIEW

The readiness review shall be convened by customer at the request of the supplier. The customer attendees for the review shall consist of representatives from Quality, Purchasing, and Field Service (as applicable). It is recommended that the business manager also attend the readiness review.

The purpose of the readiness review is to ensure that the requirements for compliance with the Supplier Certification Policy have been reviewed thoroughly by the supplier in preparation for the assessment, and that the system is demonstrating control according to performance metrics.

A formal readiness review shall include the following.

a. Supplier product performance measured by the customer's procurement/quality organization according to the following metrics.

  1. Product Quality Performance
  2. Reliability performance
  3. Delivery
  4. Field performance as applicable (problem free installations, dead-on-arrivals)

b. Findings and corrective actions taken as a result of the Supplier's Internal Assessment as documented in the second book (refer to subhead 2).

c. Ongoing communications/agreements with the customer.

d. Open issues to be clarified prior to the manufacturing systems assessment.

e. Discussion of ground rules for the manufacturing systems assessment and, if the open issues have been resolved, scheduling of an assessment date.

The readiness review allows the supplier an opportunity to demonstrate performance and system highlights and to present other related accomplishments.

4 THE MANUFACTURING SYSTEMS ASSESSMENT

The purpose of the manufacturing systems assessment shall be to determine compliance with the system control and continuous improvement requirements of the Supplier Certification Policy.

The manufacturing systems assessment is not a pass/fail exercise. The supplier is allowed an opportunity to take corrective action to satisfy the requirements for certification.

The assessment is intended to determine the level of effectiveness and control of a supplier's manufacturing system; it is not intended to identify specific problems. It is recognized that a supplier's total system may be in control though specific problems may exist.

ASSESSMENT PROCEDURE

The assessment shall be performed by a team of Digital personnel experienced with the objectives of the Supplier Certification Program.

The responsible procurement/quality organization shall select the team leader. The team leader shall select an additional three to five experienced members who are acceptable to the customer and the supplier being assessed.

Table 1 shows a sample assessment schedule utilizing the checklists provided in section 2 of this document, EL-MF520-02, *Manufacturing Systems Assessment Procedure - Checklist for Supplier Certification.*

The assessment schedule combines complementary sections of the system, enabling Assessment Teams to understand how the sections operate together to form a system. The random sequencing of sections must be avoided as it can distort the evaluation.

The following is mandatory regarding the use of the assessment schedule.

a. The supplier shall be provided with a copy of the schedule at least two weeks prior to the assessment date. This time period allows for the identification of supplier contact personnel.

It is recommended that the supplier contact be manager level —the contact person will be required to answer questions and provide insight from a systems perspective.

c. The assessment schedule is arranged to facilitate a smooth flow between subjects. In this manner each team reviews related activities. For example:

Team 1 reviews plans/assessments

Team 2 reviews material acquisition

Team 3 reviews documentation/materials

The numbers listed in the following table represent the corresponding checklist section from EL-MF520-02, *Manufacturing Systems Assessment Procedure - Checklist for Supplier Certification.*

Table 1: Sample Digital Assessment Schedule

	Morning	Lunch	Afternoon
Monday			
	Business meeting	in-plant	Team 1 - 2, 3, 4
	Plant tour		Team 2 - 5, 16
			Team 3 - 20, 22
Tuesday			
	Team leader briefs		Team 1 - 11, 13
	supplier		Team 2 - 6, 7
		in-plant	Team 3 - 10, 29
	Team 1 - 12, 23		
	Team 2 - 27, 14		
	Team 3 - 17, 19, 33		
Wednesday			
	Team leader briefs		Team 1 - 24, 32
	supplier		Team 2 - 21, 26
		in-plant	Team 3 - 28, 15
	Team 1 - 30, 31		
	Team 2 - 8, 9		
	Team 3 - 18, 25		
Thursday			
	Team leader briefs supplier	in-plant	Team meeting to discuss compliance of system and prepare presentation (preferably off-site)
	Closure of open issues		
	Final briefing		
Friday			
	Presentation of assessment results to supplier. (One hour)		

Each day of the assessment the team leader shall meet with a manager from the supplier's organization to discuss team findings from the previous day. The daily meeting with the supplier ensures that surprises and/or misunderstandings can be avoided, and allows both parties a second chance for clarification.

The Assessment Team shall meet at the end of each day to discuss their evaluation of each area and their current findings regarding the overall effectiveness of the manufacturing system.

Upon completion of the assessment, the Assessment Team shall meet (preferably off-site) to evaluate the effectiveness of the supplier's system to remain in-control and its demonstrated ability for continued improvement.

The team leader shall present a report to the supplier the day following the above meeting.

The report, at a minimum, shall provide information on the areas assessed, the action items required to meet certification requirements and an explanation of same, and areas which the team felt were above average in effectiveness and/or control.

NO DECISION FOR OR AGAINST CERTIFICATION CAN BE MADE AT THIS TIME!

The supplier shall be allotted three to four weeks to review the report and develop appropriate corrective action. The supplier shall present its responses at the Certification Decision Meeting.

The team leader shall send copies of the report to all parties involved upon completion of the assessment.

5 THE CERTIFICATION DECISION MEETING

The certification decision meeting shall be convened by the customer at the request of the supplier and shall include the same parties that participated in the readiness review.

The certification meeting shall review the following.

- **a.** The supplier's response to the assessment and report, and action items taken as a result of the above (if any were required).
- **b.** The supplier's performance to date as measured by the following metrics.
  - **1.** Product quality performance
  - **2.** Reliability performance
  - **3.** Delivery performance
  - **4.** Field performance (per the readiness review) including trends and expected short term performance issues (if any).
- **c.** Ongoing communications between the customer and the supplier. The ability of the Digital customer and the supplier to continue a relationship that maintains certified status must be considered.
- **d.** A proper customer/supplier relationship per Certified Status is one in which the customer is involved in and supports the supplier's efforts toward continuous improvement.
- **e.** Any issues of relevance to the certification decision.
- **f.** Certification decision by all involved.

AWARDING CERTIFIED STATUS

A general meeting shall be held by the customer and the supplier, where all involved are recognized and congratulated for their accomplishment. At this time the Digital customer shall recognize the supplier's achievement in an agreed upon manner.

This meeting provides an opportunity for the customer and the supplier to remind those involved that certification is a beginning, not an end.

The supplier shall deliver a message that conveys the spirit of the following:

"While we have achieved new levels of performance, this is not an end, but a START toward continuous improvement of that performance."

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